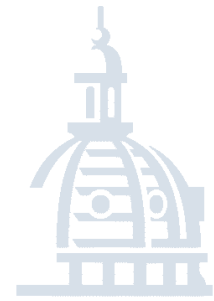


# Fiscal Note

*Fiscal Services Division*



**HF 2198** – Trailers Used for Veterans Parades on Roads (LSB 5335HV)  
Analyst: Marcia Tannian (Phone: 515-281-7942) ([marcia.tannian@legis.state.ia.us](mailto:marcia.tannian@legis.state.ia.us))  
Fiscal Note Version – New

## **Description**

**House File 2198** provides an exemption from vehicle registration for a trailer that is used exclusively for purposes of the transportation, display, and distribution of flags honoring deceased veterans in parades or ceremonies on specified federal holidays and other patriotic occasions. The Bill implies that the local government of the community where the parade or ceremony takes place must specify by resolution when the trailer may be used. The Bill requires the owner of the trailer to carry a copy of the resolution as proof of authorization when pulling the trailer. The trailers used for these purposes may only be used on city streets or secondary roads on the day of a parade or ceremony as specified in the local government resolution.

## **Background**

Senate File 2420 (TIME-21 Transportation Funding Act) enacted during the 2008 Legislative Session increased trailer registration fees. The Act directed the trailer registration fees to the newly established Statutory Allocations Fund (SAF) and TIME-21 Fund. The initial \$10 of each registration fee goes to the SAF and the amount above that, either \$10 or \$20 depending on the size of the trailer, is deposited in the TIME-21 Fund.

As of January 2010, there are approximately 600,500 trailers registered, providing \$6.0 million to the SAF and \$7.7 million to the TIME-21 Fund, respectively.

The following table provides a breakout of the types of trailers and fees going to the funds.

Trailer Type	Fee	Registered Trailers	Estimated Revenue	Portion to SAF	Portion to TIME-21 Fund
Large regular trailer	\$ 30.00	92,230	\$ 2,766,900	\$ 922,300	\$ 1,844,600
Large semi trailer	\$ 30.00	81,355	2,440,650	813,550	1,627,100
Small regular trailers	\$ 20.00	426,452	8,529,040	4,264,520	4,264,520
Small semi trailer	\$ 20.00	434	8,680	4,340	4,340
<b>Totals</b>		<b>600,471</b>	<b>\$ 13,745,270</b>	<b>\$ 6,004,710</b>	<b>\$ 7,740,560</b>

According to the most recent publication of Fiscal Facts by the Legislative Services Agency, there are 256,000 veterans in Iowa.

## **Assumptions**

- The SAF provides approximately \$30.0 million to allocations that are specified in Iowa Code and the remaining balance is deposited in the Road Use Tax Fund (RUTF). Any reduction to the SAF is assumed to affect the balance available for the RUTF.
- It is unknown how many exemptions will occur, so for purposes of estimating a potential impact, a range of 1.0% - 5.0% of all veterans was used in the calculations.

- Of the total trailers, small trailers account for 71.0% and large trailers account for 29.0%. This proportion was used in the calculations for potential revenue loss.

### **Fiscal Impact**

If 1.0% of veterans have trailers that will be used for the specified purpose, the impact would be a decrease of \$25,600 to the SAF, and therefore to the RUTF, and a decrease of \$33,000 to the TIME-21 Fund.

If 5.0% of veterans have trailers that will be used for the specified purpose, the impact would be a decrease of \$128,000 to the SAF, and therefore to the RUTF, and a decrease of \$165,100 to the TIME-21 Fund.

According to the Iowa Commission of Veteran Affairs, approximately 500 trailers or fewer are used exclusively for these parades and ceremonies. If this is the case, the impact will be minimal. The result will be a decrease of approximately \$5,000, respectively to the SAF and TIME-21 funds.

### **Sources**

Department of Transportation  
Iowa Commission of Veteran Affairs

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/s/ Holly M. Lyons

February 3, 2010

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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